



State of Arizona
Department of Education

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MEMORANDUM

TO: Summer Food Service Program (SFSP) Sponsors

FROM: Mary Szafranski, Deputy Associate Superintendent
Arizona Department of Education, Health & Nutrition Services

Cara Peczkowski, Director
Arizona Department of Education, School Nutrition Programs

DATE: October 27, 2011

RE: Rural Development's Community Facilities Program

Original Signed

This memorandum is in regard to the United States Department of Agriculture's (USDA) Rural Development Community Facilities (CF) program. The CF program provides loans and grants to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. This program offers a unique opportunity for non-profit organizations, public bodies, and tribal organizations to upgrade their community's child nutrition facilities and purchase equipment that could improve access to healthy, locally, or regionally grown products.

The CF low-interest loans and grants are available to public entities such as county and local governments, non-profit organizations, and tribal organizations. Specific to the Child Nutrition Programs, the CF loan/grant funds could be used to improve public buildings like school food service facilities, Head Start centers, pre-schools, and food preparation centers. See *attached* Frequently Asked Questions (FAQs).

In the past, communities have used CF funds to renovate cafeterias and purchase food preparation and storage equipment. For example, a County Board of Education Food Service Division used CF funds to improve a warehouse by adding refrigeration units for fresh fruits and vegetables. One school used a CF loan to expand their campus to include an organic vegetable garden and fruit orchards which provide fresh produce for the after school snack program. Another school purchased a convection food steamer to prepare locally grown vegetables with CF funds.



The CF loans and grants are both competitively scored and, according to Rural Development, grant funds are limited. Therefore, the USDA encourages communities to consider the affordable, low-interest, fixed-rate loans the CF program offers. Child Nutrition Programs operating in small, low-income communities may be eligible for a higher percentage of grant funding or loans.

The Arizona Department of Education encourages sponsors participating in the Child Nutrition Programs to work through their local USDA Rural Development office to learn how the CF Program can help expand access to, and support for, local and regional foods. Further information about this opportunity can be found at the following website:

http://www.rurdev.usda.gov/HCF_CF.html

For questions regarding this memorandum, please contact your School Nutrition Programs Specialist at (602) 542-8700

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FAQs

Question: What is the Community Facilities Program?

Answer: The Community Facilities (CF) Program supports the success of rural communities by providing loans and grants for the construction, acquisition, or renovation of community facilities or for the purchase of equipment for community projects. Among other things, these facilities can improve access to high-quality and affordable local foods.

Question: Who is eligible to apply for CF loans and grants?

Answer: Local governments, non-profit organizations, and state and federally-recognized Indian tribes are all eligible to apply for funds to finance “essential community facilities.” Applications must be for projects in rural areas (defined as areas with no more than 20,000 residents).

Question: What is a Community Facility? How does this program relate to agriculture?

Answer: The uses of CF funds are limited principally by the requirement that the project be for the benefit of the community as a whole rather than for a private, commercial purpose. To help ensure that a facility under the control of a non-profit organization will carry out a public purpose and continue to serve rural communities, USDA looks for strong ties between the organization and the rural area in which it is located. Such ties might be evidenced by a local board membership base or funding from the local government or community.

The CF program finances many types of facilities and equipment that facilitate distribution and marketing of local foods. Projects that support local and regional food systems that may qualify for CF funding include, but are not limited to, the following:

- Farmers markets
- Community kitchens and food distribution centers
- Facilities and equipment used by not-for-profit food distribution networks
- School cafeteria renovations and equipment
- Community food banks

Question: What are loan and grant amounts?

Answer: Loan amounts vary widely depending on the project. Grants, which are available for projects in communities with smaller populations and lower median household incomes, are usually highly leveraged with other loan and grant awards.

Question: How do I apply?

Answer: All applications for CF projects are filed and processed in the local USDA Rural Development Office for the project location. Applications are accepted on an ongoing basis and are subject to funds availability. The locations and contact information for local offices can be found at www.rurdev.usda.gov/recd_map.html. For more detailed information about eligibility, loan rates and terms, and security requirements, visit the website at: http://www.rurdev.usda.gov/HCF_CF.html.

